STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY

GRAY DAVIS, Governor

**DEPARTMENT OF HEALTH SERVICES**
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November 17, 1999

TO: All County Welfare Directors
All County Administrators Officers
All County Medi-Cal Program Specialist/Liaisons
All County Mental Health Directors
All County Public Health Directors
All County QMB/SLMB/QI Program Coordinators

Letter No.: 99-61

QUALIFYING INDIVIDUAL (QI) PROGRAM UPDATE

Reference: E-Mail Nos. 99031and All County Welfare Directors Letter (ACWDL) No.s 98-60 and 99-43

This letter provides clarification of the status of Phases 1 and 2 of the QI program, the review of Medically Needy QI-1 cases, and instructions to add individuals who are dually eligible for both Medically Needy and the QI-1 program to Aid Code 8D. In the above referenced letters, the Department of Health Services, Medi-Cal Eligibility Branch refers to Phase 1 as the "Interim QI Procedures." These procedures described QI implementation in a limited mode, i.e., counties were only to put into Aid Codes 8D or 8K, those applying for and eligible for only the QI-1 and QI-2 programs. For example, these individuals being put into Aid Code 8D were to be QI eligible-only, with no other Medi-Cal eligibility. Phase 2 was to include processing those dually eligible for QI-1 (i.e., already eligible under a regular Medi-Cal program). Notification of the Phase 2 implementation was to follow.

ACWDL 99-43 provides an update for the QI programs, consolidates information from a previous E-Mail and Letters and contains a check-off list that various counties had requested to clarify the QI programs' procedures. Checklist item 12 refers to the review of Medically-Needy cases for QI-1 eligibility and the benefit to the State to enter those eligibles into the 8D Aid Code, but has no definite instructions for the counties to do so.

We are now providing such instructions. Pursuant to the Medi-Cal Eligibility Procedures Manual, Section 5L, H, 1, counties have already been instructed to review medically needy applications and redeterminations for eligibility to the Qualified Medicare Beneficiary (QMB) program. If an individual is not eligible as a QMB due to income, counties are to go one step further and evaluate the individual for either the Specified Low Income Medicare Beneficiary (SLMB) or the QI program. Identification of the QMB, SLMB, and QI medically needy individuals enables the Department of Health Services to claim federal funding for the state payment of the Medicare Part B premiums for

these individuals. Although federal law precludes a QI from being eligible for any other Medicaid program, medically needy individuals with a share of cost (SOC) may be eligible in those months that the SOC cost is not met. The Department will be responsible for tracking the month-by-month eligibility for these individuals with an internal system that is transparent to the counties. The county responsibility is to review the medically needy applications and redeterminations and, if eligible, put individuals into Aid Code 8D. This action is considered Phase 2 of the QI process.

The QI-2 processing remains the same. The counties are to add the QI-2s to Aid Code 8K and there continues to be no dual eligibility. The Department has manually reimbursed most of the QI-2s eligible in 1998 that were put into Aid Code 8K. In order for the Department to continue to identify and reimburse QI-2s they must be entered into Aid Code 8K. The automated system for reimbursement of the QI-2 benefits, the State generated Notices of Action, the tracking of QI eligibility and development of system reports for funding purposes is considered Phase 3 of QI implementation. These processes are the responsibility of the Department and should not require any county action. The counties will be notified when Phase 3 is implemented.

If you have any questions regarding this letter or the QI program, please contact Vicki Partington at (916) 654-5909 or Cecilia Kelley at (916) 657-0168 of my staff.

Sincerely,

ORIGINAL SIGNED BY

ANGELINE MRVA, Chief
Medi-Cal Eligibility Branch